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FISCAL IMPACT STATEMENT

LS 6938

BILL NUMBER: SB 585

NOTE PREPARED: Feb 22, 2011

BILL AMENDED: Feb 15, 2011

SUBJECT: Certified Technology Parks.

FIRST AUTHOR: Sen. Lanane

FIRST SPONSOR: Rep. Stemler

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill allows a certified technology park to apply to the Indiana Economic Development Corporation (IEDC) to redraw the boundaries of its district at the time of a recertification. It also allows the IEDC to redraw the district if the IEDC finds that certain conditions are present.

Effective Date: July 1, 2011.

Explanation of State Expenditures:

Explanation of State Revenues: (Revised) *CTP Expansions:* The bill could lead to an expansion of the CTP in Anderson when it is re-certified by the IEDC. This would allow the CTP to capture additional incremental Sales Tax and state Income Tax revenue from businesses in the territory added to the CTP. The potential impact from application of this provision to any of the other 18 CTPs in the state is unknown and depends on how many meet the special conditions specified in the bill.

Background Information: Currently, there are 19 CTPs statewide which were designated by the Indiana Economic Development Corporation between 2003 and 2006. The CTPs must be reviewed and recertified by the IEDC every four years. The CTPs are authorized to capture incremental sales tax, state income tax, and local option income tax revenue that is generated within the CTP. While there is no annual revenue capture limit for the CTPs, there is a lifetime capture limit of \$5 M for each CTP.

The bill allows a CTP to expand when it is re-certified by the IEDC, if the IEDC finds that the CTP meets the conditions outlined in (1) to (4) above, and finds that the expansion will enhance the development of the

CTP. Current statute does not provide for the expansion of CTPs beyond the boundaries initially designated by the IEDC, except for a CTP designated before 2005 with the expansion to include adjacent territory in another county that is under the jurisdiction of the local unit and redevelopment commission operating the CTP. As with the revenue capture provision described above, this provision at least applies to the Anderson CTP. The extent that this the provision would apply to another of the 18 CTPs in the state is unknown.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IEDC.

Local Agencies Affected: Certified Technology Parks; local units with Certified Technology Parks.

Information Sources: LSA Fiscal Issue Brief, *Indiana's Geographically Targeted Development Programs: Certified Technology Parks*, September 27, 2010.

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